

STAND. COM. REP. NO. 1016

Honolulu, Hawaii

MAR 25 2015

RE: H.B. No. 1471
H.D. 2
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Energy and Environment and Commerce and Consumer Protection, to which was referred H.B. No. 1471, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE FUNDING OF GOVERNMENT PROGRAMS, "

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Apply the environmental response, energy, and food security tax to all fossil fuels sold by a distributor to a retail dealer or end user, other than a refiner, of fossil fuel;
- (2) Require a percentage of the environmental response, energy, and food security tax on fossil fuels that is collected to be deposited into the energy security special fund, energy systems development special fund, and agricultural development and food security special fund;
- (3) Exempt coal used to produce electricity, under certain conditions, from the environmental response, energy, and food security tax that applies to all fossil fuels;
- (4) Authorize independent power producers to pass the environmental response, energy, and food security tax



that applies to all fossil fuels on to an electric utility, who may in turn recover the cost through a surcharge, subject to approval by the Public Utilities Commission; and

- (5) Authorize gas utilities to recover the cost of the environmental response, energy, and food security tax on all fossil fuels without approval by the Public Utilities Commission.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Hawaiian Affairs; Hawaii Renewable Energy Alliance; AES Hawaii, Inc.; Hawaii Gas; and one individual. Your Committees received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Blue Planet Foundation.


Your Committees find that the State is precariously dependent on imported food and energy. The environmental response, energy, and food security tax, also known as the barrel tax, is a vital revenue source that supports critical investments and initiatives in clean energy, local agricultural production, and environmental response. The implementation of this measure will reduce the State's dependence on imported fossil fuels and further the State's goals of food and energy self-reliance.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

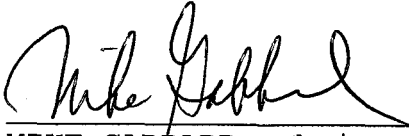
As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1471, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Energy and
Environment and Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



MIKE GABBARD, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* <i>HB 1471, HD2</i>	Committee Referral: <i>ENE/CPN, NAM</i>	Date: <i>3/19/15</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
GREEN, Josh (VC)				✓
GALUTERIA, Brickwood	✓			
IHARA, Jr., Les	✓			
SLOM, Sam				✓
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB 1471 HD2	Committee Referral: ENE/CPN, WAM	Date: 3-20-15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TANIGUCHI, Brian T. (VC)				/
KAHELE, Gilbert				/
KIDANI, Michelle N.	/			
NISHIHARA, Clarence K.	/			
WAKAI, Glenn	/			
SLOM, Sam				/
TOTAL	4			3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature:				
Distribution: <div style="display: flex; justify-content: space-between; font-size: small; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes